

Special Appropriations

Debt Service Savings

The Supplemental Budget reduces current biennium appropriations for bond retirement and interest by \$29.2 million General Fund-State. These savings result from recent favorable interest rates that have allowed the refinancing of outstanding debt and the acquisition of new debt at lower than anticipated costs. In the 1995-97 biennium, these savings will be continued and supplemented with an additional \$3.4 million in General Fund-State savings which will result from replacing bonds with cash in the trust land transfer program. This program provides funds to the Common School Construction Fund through purchases of environmentally sensitive lands.

Health Benefit Savings

The cost of providing health insurance to state employees is reduced by \$14 million General Fund-State. The lower costs are the result of reduced medical inflation and utilization which has created a surplus in the public employees' insurance account. The budget uses this surplus to lower state employee health benefit premiums to \$305.32 per month. This rate will result in a continuation of existing health benefits for state employees, with no managed competition in the current biennium.

Health Benefit Equity for Retired K-12 and State Employees

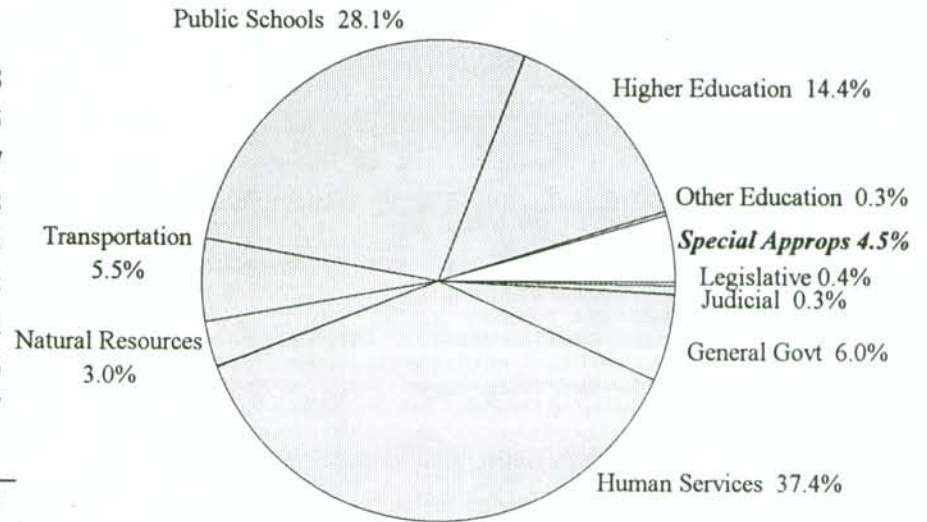
The Supplemental Budget reflects the enactment of chapter 153, Laws of 1994 (SB 6605), which reconfigures the existing public employee risk pools, resulting in greater equity between state retirees and K-12 retirees. K-12 retirees under age 65 will join state retirees under age 65 in the larger state employee risk pool, effective January 1, 1995. Their premiums will be subsidized through pooling with younger and generally healthier employees. K-12 and state Medicare-eligible retirees will be placed in a separate risk pool, and their subsidy will be increased. The Health Care Authority is also directed to increase the existing subsidy for K-12 retirees prior to the reconfiguration of the risk pools in the supplemental budget.

Washington State 1993-95 Operating Budget

Total Budgeted Funds

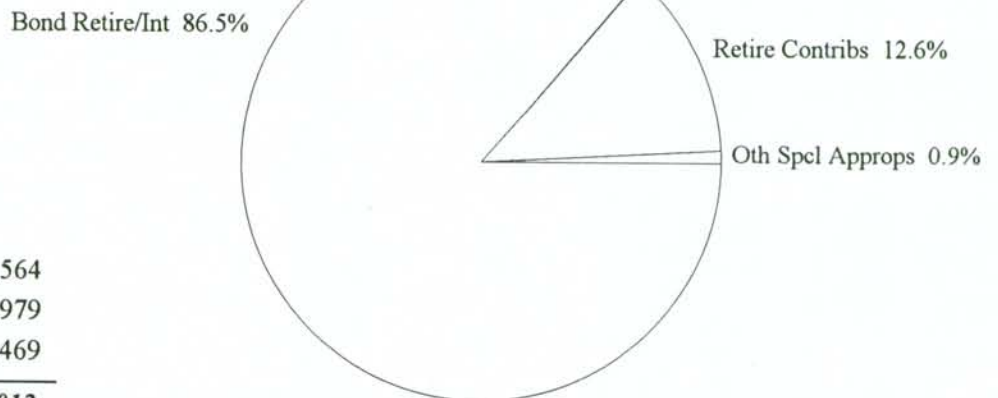
(Dollars in Thousands)

Legislative	108,358
Judicial	103,365
General Government	1,798,367
Human Services	11,199,948
Natural Resources	906,953
Transportation	1,639,958
Public Schools	8,412,692
Higher Education	4,323,056
Other Education	86,387
<i>Special Appropriations</i>	<i>1,348,012</i>
Statewide Total	29,927,096



Washington State

Bond Retirement/Interest	1,165,564
Retirement Contributions	169,979
Other Special Approps	12,469
<i>Special Appropriations</i>	<i>1,348,012</i>



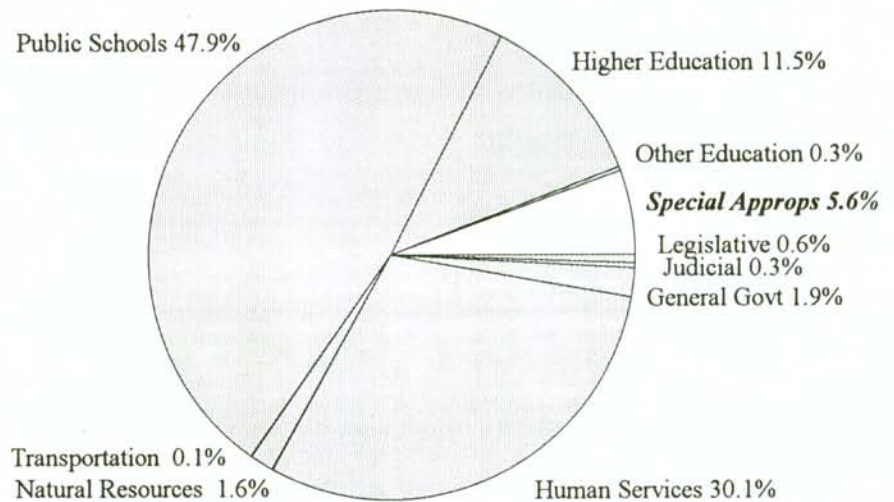
Special Appropriations

Washington State 1993-95 Operating Budget

General Fund - State

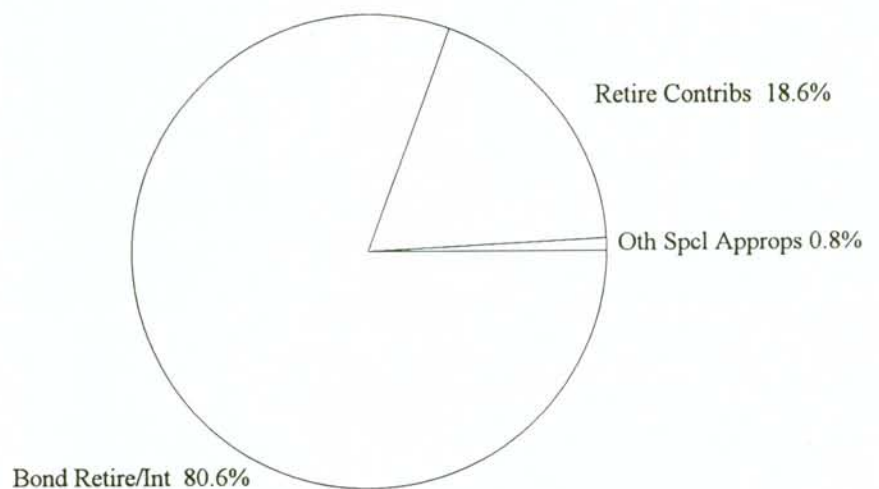
(Dollars in Thousands)

Legislative	101,321
Judicial	55,359
General Government	308,861
Human Services	4,882,843
Natural Resources	263,032
Transportation	18,065
Public Schools	7,756,642
Higher Education	1,860,668
Other Education	44,662
<i>Special Appropriations</i>	<i>913,917</i>
Statewide Total	16,205,370



Washington State

Bond Retirement/Interest	736,358
Retirement Contributions	169,979
Other Special Approps	7,580
<i>Special Appropriations</i>	<i>913,917</i>



Special Appropriations

Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1993-95 ORIGINAL APPROPRIATION	13,194	11,387	24,581
1994 Supplemental Budget			
1. Reduce Emergency Travel Pool	-3,090	0	-3,090
2. Regulatory Reform	200	0	200
3. Reprogram Mainframe Computers	656	3,273	3,929
Total Supplemental Items	-2,234	3,273	1,039
1993-95 REVISED APPROPRIATION	10,960	14,660	25,620

Comments:

1. REDUCE EMERGENCY TRAVEL POOL - The 1993-95 appropriations bill included funds for allocation to agencies that could not reasonably sustain the travel cuts made in the legislative budget. After assessing the need for this appropriation and making one allocation, the balance is being taken as a reduction.
2. REGULATORY REFORM - Funds are provided to allocate to state agencies for costs associated with implementing chapter 249, Laws of 1994 (E2SHB 2510 -- regulatory reform).
3. REPROGRAM MAINFRAME COMPUTERS - Funds are provided to reprogram mainframe computers in various agencies in which software programs and operating systems are out-of-date or no longer supported by the vendors. This funding has been consolidated in Special Appropriations for allocation to state agencies upon approval of the agency spending plan.

Bond Retirement & Interest

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1993-95 ORIGINAL APPROPRIATION	765,533	424,248	1,189,781
1994 Supplemental Budget			
1. Debt Service Savings	-29,175	-654	-29,829
2. Technical Changes	<u>0</u>	<u>5,612</u>	<u>5,612</u>
Total Supplemental Items	-29,175	4,958	-24,217
1993-95 REVISED APPROPRIATION	736,358	429,206	1,165,564

Comments:

1. DEBT SERVICE SAVINGS - Since the 1993-95 debt service budget was calculated, interest rates have dropped significantly. Current debt service estimates assume interest rates on state bonds sold over the next year will be at or below 5.5 percent. In addition, successful bond refinancings have further reduced debt service costs in the 1993-95 Biennium. (Other Funds: State Building Bond Redemption 1967 Account)
2. TECHNICAL CHANGES - Technical changes are required to align appropriation authority with refunding actions and necessary bond sale expenses.

Belated Claims

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1993-95 ORIGINAL APPROPRIATION	0	0	0
1994 Supplemental Budget			
1. 1993-95 Belated Claims Estimate	<u>0</u>	<u>971</u>	<u>971</u>
Total Supplemental Items	0	971	971
1993-95 REVISED APPROPRIATION	0	971	971

Comments:

1. 1993-95 BELATED CLAIMS ESTIMATE - Appropriations are made from various dedicated funds and accounts to reimburse the General Fund for belated claims paid in prior fiscal periods.

Sundry Claims

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1993-95 ORIGINAL APPROPRIATION	1,950	0	1,950
1994 Supplemental Budget			
1. Wildlife Damage Claims	0	69	69
2. Self-defense Claims	<u>36</u>	<u>0</u>	<u>36</u>
Total Supplemental Items	36	69	105
1993-95 REVISED APPROPRIATION	1,986	69	2,055

Comments:

1. WILDLIFE DAMAGE CLAIMS - Funds are provided to pay for damage to crops by deer and elk. (Wildlife Account)
2. SELF-DEFENSE CLAIMS - Four claims have been recommended by the Division of Risk Management for reimbursement of the defendants' legal costs in criminal prosecutions in which acquittal was made on the basis of self defense. Reimbursement is made pursuant to RCW 9A.16.110.

State Employee Compensation Adjustments

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1993-95 ORIGINAL APPROPRIATION	4,093	6,292	10,385
1994 Supplemental Budget			
1. Health Benefits Reduction	<u>-14,009</u>	<u>-17,103</u>	<u>-31,112</u>
Total Supplemental Items	-14,009	-17,103	-31,112
1993-95 REVISED APPROPRIATION	-9,916	-10,811	-20,727

Comments:

1. HEALTH BENEFITS REDUCTION - The funding for health benefits for state employees is reduced because estimated medical inflation has changed from 13.5 percent to 8.5 percent. Health benefits funding is further reduced by using \$40 million of an existing \$51 million surplus to lower rates. Of the remaining surplus, \$4.2 million is used to pay the increased costs resulting from delaying managed competition until next biennium.

Agency Loans

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1993-95 ORIGINAL APPROPRIATION	7,380	0	7,380
1994 Supplemental Budget			
1. Eliminate Loan to Convention Center	-2,830	0	-2,830
Total Supplemental Items	-2,830	0	-2,830
1993-95 REVISED APPROPRIATION	4,550	0	4,550

Comments:

1. ELIMINATE LOAN TO CONVENTION CENTER - Increased revenue from the hotel/motel tax allows the state to eliminate its General Fund loan to the State Convention and Trade Center for the 1993-95 Biennium.